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#### 11. General Assessment

Since 2002, the Government of Laos has consistently denounced international terrorism and expressed a willingness to cooperate with the international community on counterterrorism. While there are domestic opposition elements that have in the past employed terrorist tactics, such as ambushing civilian buses as recently as 2003 and bombing civilian targets as recently as 2004, Lao officials at many levels saw international terrorism as an issue of only marginal relevance to Laos. They believed that Laos, as a small and neutral country, would not be targeted or exploited by international terrorists.

Laos does not have a separate counterterrorism law, but the Lao judicial system was prepared to prosecute acts of terrorism as serious crimes under the Lao criminal code, and amendments to the criminal code sought to strengthen counterterrorism sanctions. Still, a 2006 UN-sponsored workshop on counterterrorism illustrated myriad shortcomings and vagaries in the theoretical application of the Lao criminal code to deal with terrorism-related crimes, and successful prosecution under these laws is not assured. These shortcomings remained unresolved in 2008.

Laos' border security was weak; border officials could not effectively control access to the country even at its most sophisticated border checkpoints. Border crossing along the Mekong River into the surrounding countries of Burma, Thailand, and Cambodia could be accomplished easily and without detection. Border delineation remained poor in more remote sections of the country, especially along the land borders with Vietnam and China; it is likely that unmonitored border crossings by locals occurred on a daily basis. Since 9/11, Lao authorities have strengthened airport security, and airport security forces have participated in U.S. supported security seminars in an effort to raise their standards, but security procedures at land immigration points remained lax compared with most other countries in the region. In addition, official Lao identity documents, including passports and ID cards, were easy to obtain.

#### 12. Terrorist Groups

Laos has a small residual domestic insurgency numbering less than 1,000 persons, including women and children, split into small groups based in very remote areas of north/central Laos. These groups have in the past employed terrorist tactics, but there were no confirmed violent activities by insurgents in 2008. In general, the insurgent groups faced continuous military suppression which limited their activities.

These groups are derived from disparate factions of the Hmong ethnic group, some of which claim affiliation with royalist and U.S. interests dating back to the Indochina conflict. Allegiances held by insurgent groups are attributed to, among others, General Vang Pao, the exiled Hmong leader who was arrested in the U.S. in June 2007 for conspiracy to violate the Neutrality Act by participating in a group that allegedly formulated a plot to overthrow the present Lao government. Information derived from the indictment indicated that the

group had undertaken extensive planning and had actively sought financial backing from overseas contributors to support its efforts to undertake the coup. The arrests appeared to quash much of the popular support for this movement, yet small nomadic groups of insurgents continue to be linked to this cause.

¶3. Foreign Government Cooperation

In accordance with its obligations under UNSCR 1373, the Bank of Laos vetted government and commercial bank holdings for possible terrorist assets, as identified by U.S.-provided lists of terrorist organizations and individuals, and issued freeze orders for assets of organizations and individuals named on these lists. However, the Bank has yet to require the freezing of assets of individuals and entities included on the UN 1267 Sanctions Committee consolidated list.

Lao authorities issued orders limiting the amount of cash that could be withdrawn from local banks or carried into or out of the country and strengthened reporting requirements of state and privately owned commercial banks. Banking regulation remained extremely weak, however, and the banking system was vulnerable to money laundering and other illegal transactions. Cooperation between U.S. officials and the Bank of Laos remained cordial and cooperative.

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